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U.S. Defies Threat by **Terrorists**

Jihad Group Holding Americans Warns Of a Catastrophe

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The United States said yesterday it would not be intimidated by terrorist threats of the militant Islamic group in Lebanon that holds hostage four, and possibly five, Americans and two Frenchmen.

Islamic Jihad, in a statement released in the Lebanese press along with photographs of the hostages, warned of "catastrophic" consequences if 17 convicted terrorists being held in Kuwait were not released.

Islamic Jihad said it would "terrorize America and France forever" if its demand were not met, prompting the White House to issue its own declaration that such threats would not be allowed "to compromise our fundamental policies and values."

The White House also rebutted charges of inaction from the families of the kidnaped Americans, saying it was determined to obtain their release and that the issue remained "of the highest priority" to the administration.

"We believe that we are presentfollowing the best-designed course to obtain this result in a quiet, nonpublic manner," it said.

At a news conference yesterday, Peggy Say, sister of kidnaped Associated Press Beirut bureau chief Terry Anderson, said she felt the situation had come to "the crisis point. This new demand, this ultimatum, makes me feel we're got to work harder [to free the hostages] before something very bad happens."

The statement issued by Islamic Jihad, published yesterday in the Beirut press together with color pictures of kidnaped westerners, was addressed to the families of the hostages, to the Rev. Jesse Jackson and to "the international public, namely the American people."

"For the last time," it said, "we wish to stress that all the contact with your abducted relatives will be cut off and the consequences will be catastrophic if you do not act seriously and force your governments to intervene for the release" of "all our brothers in Kuwait.'

It was not clear from the statement whether the term "catastrophic" consequences was a specific death threat against the six hostages or a general warning aimed at American and French interests in the Middle East, or possibly elsewhere.

The pictures published in Beirut newspapers yesterday included four of the five Americans-Anderson; William Buckley, a political officer at the U.S. Embassy in Beirut; the Rev. Lawrence Jenco, head of the Catholic Relief Services in Lebanon, and the Rev. Benjamin Weir, a Presbyterian minister. The Jihad group also claims to be holding two French diplomats, Marcel Fontaine and Marcel Carton.

Jenco's family in Joliet, Ill., made public a letter apparently relayed by Islamic Jihad in which the priest said his freedom was tied to that of the prisoners in Kuwait, The Associated Press reported. The family said the letter was received several weeks ago.

The fate of the fifth American, Peter Kilburn, a librarian at the American University of Beirut, remains a mystery. He was in poor health when kidnaped and there has been no indication of his status.

The pro-Iranian Lebanese terrorist group Islamic Jihad (Holy War), is seeking the release of 17 pro-Iranian Arabs, most of them Shiite Moslems, who have been convicted in Kuwait for involvement in bombings of the U.S. and French embassies in December 1983. The bombs killed five persons and injured 86, most of them at the U.S. Embassy.

Islamic Jihad has claimed responsibility for a wide variety of terror-

ist activities in Lebanon, including the bombing of the U.S. Marine barracks in Beirut in October 1983. Some observers speculate that it is an arm of the militant Islamic group known as Hezbollah, the Party of God, while others contend it is simply the name used by a wide number of extremist factions.

Kuwait yesterday refused all comment on the ultimatum yesterday.

As concern mounted for the missing Americans, a United Nations official kidnaped Wednesday in Beirut was released, Irish diplomats reported from the Lebanese capital. Aidan Walsh, an Irish national and deputy director of the U.N. Relief and Works Agency, was reported safe and in good spirits. No information was made public on who had kidnaped him or how his release was arranged.

White House spokesman Larry Speakes said the U.S. government had no intention of entering into negotiations with the mysterious Lebanese terrorist group to gain the hostages' release.

"We have not negotiated with terrorists before and that is our policy," he said.

State Department spokesman Ed Djerejian refused to comment on whether the United States was putting any pressure on the Kuwaiti government to release the 17 convicted terrorists. "I just cannot get involved in our diplomatic exchanges," he said.

He also refused to say whether the United States had sent any messages to Iran regarding the American hostages in Beirut. While Washington has no diplomatic relations with Tehran, it is known to have channeled messages in the past through the Swiss and Syrians.

Djerejian would not say whether the United States was ready to go through a third party, such as Jackson, to try to gain the release of the American hostages.

Relatives of three hostages metyesterday with Jackson to discuss new approaches to seeking their release. At a joint news conference, the civil rights activist said he was prepared to go to Lebanon, or Kuwait, to try to gain the hostages' release "if there is any reasonable chance to have an impact."

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Jackson traveled in December 1983 to Syria and arranged the release of captured U.S. Navy flyer Lt. Robert O. Goodman Jr., whose plane was shot down over Syriancontrolled territory in Lebanon.

Jackson, saying he had no intention "to undermine our government," charged that Secretary of State George P. Shultz had brushed aside a request to meet with him to discuss the Beirut hostage crisis. Later, Jackson and the group met with Robert B. Oakley, head of the State Department Office for Counter Terrorism.

The hostages' relatives and Jackson are to meet with representatives of the Kuwaiti Embassy today.

Washington Post staff writer Kathy Sawyer contributed to this story.